

Message Text

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PAGE 01 DAMASC 04565 140823Z

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ACTION NEA-10

INFO OCT-01 EUR-12 EB-07 ISO-00 /030 W
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R 140801Z JUL 76

FM AMEMBASSY DAMASCUS

TO USDOC WASHDC

INFO SECSTATE WASHDC 8573

AMEMBASSY ATHENS

UNCLAS DAMASCUS 4565

USDOC FOR CAGNE: ATHENS FOR RTDO

E.O. 11652: N/A

TAGS: BEXP, SY

SUBJECT: AMA RECOMMENDATIONS FOR IMPROVEMENT OF SARG TENDERING
PROCEDURES

REF: STATE 131921

1. EMBASSY WELCOME SUGGESTIONS OF 15 US MANUFACTURERS AND SUPPLIERS ON WAYS AND MEANS TO IMPROVE SARG TENDERING PROCEDURES. EMBASSY OVER PAST TWO YEARS HAS RAISED SEVERAL OF THE SUGGESTIONS IN REFTEL AND WE APPRECIATE FULL DESCRIPTION OF PROBLEMS. EMBASSY PRESENTLY INFORMALLY DISCUSSING CONTENTS OF REFTEL WITH SYRIAN PRIVATE BUSINESSMEN, CHAMBERS OF COMMERCE AND INDUSTRY OFFICIALS AND MIDDLE LEVEL SARG (INCLUDING BANKING) OFFICIAL SBEFORE RAISING MATTER ON MINISTERIAL LEVEL. DOING BUSINESS IN SYRIA AFTER A LONG ABSENCE IS PROVING TO BE A LONG AND EXACTING PROCESS OF MUTUAL EDUCATION, AND AMA SUGGESTIONS ARE A FRUITFUL CONTRIBUTION TO THIS PROCESS.

2. ON BID BONDS (PARA ONE REFTEL): WE UNDERSTAND FROM COMMERICAL BANK OF SYRIA (CBS) OFFICIAL SHTAT BY AND LARGE US BANKS DO OPEN L/CS FOR BID BONDS. SEE ALSO STATE 132264 AS AN EXAMPLE OF SUCH AN L/C. SYRIAN BUSINESSMEN NOW USE AMMAN FOR US BANKING SERVICES, AND RECENT US BUSINESS VISITOR SHOWED US L/C FROM
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FNCB/AMMAN. VISITING US BANK REPRESENTATIVES (CHASE,

FNCB, MANUFACTURERS HANOVER TRUST, AND FIRST NATIONAL BANK OF BOSTON) WERE ALL QUERIED ABOUT AMA STATEMENT ON BID BONDS AND ALL DISCOUNTED THIS AS A PROBLEM. WE SUGGEST USDOC CONSULT WITH US BANKS TO SEE IF PROBLEM DESCRIBED FOR BID BONDS IS REALLY A SERIOUS ONE BEFORE WE RAISE MATTER WITH MINISTER OF ECONOMY AND BANKING OFFICIALS.

3. ON PERFORMANCE BONDS (PARA THREE REFTTEL): (A) CBS CHARGES 1.5 PERCENT (CALCULATED QUARTERLY) ONL/CS ISSUED FOR BID AND PERFORMANCE BONDS. IN ADDITION THERE ARE STAMP DUTIES OF 8.8 SYRIAN POUNDS PER THOUSAND ON SUCH L/CS. L/CS TO COVER BID BONDS PURSUANT TO TENDERS LET BY MINISTRIES (BUT NOT BY PUBLIC SECTOR CORPORATIONS) ARE EXEMPT FROM STAMP DUTIES, BUT SUCH STAMP DUTIES ARE APPLIED TO ALL PERFORMANCE BONDS REGARDLESS OF TENDERING AGENCY. CBS SCHEDULE (IN FRENCH) OF CHARGES POCUHD TO USDCO/CAGNE. ALTHOUGH PUBLISHED IN AUGUST, 1972, FEES ARE STILL IN FORCE. (B) CBS CURRENTLY HAS CORRESPONDING RELATIONSHIPS WITH ABOUT 30 US BANKS, AND CBS OFFICIALS ADMIT THE BANK SIMPLY DOES NOT HAVE THE TRAINED PERSONNEL TO OPEN AND MAINTAIN MORE SUCH RELATIONSHIPS. (C) FOR SAME REASONS, CBS OFFICIALS STATE THAT A 72-HOUR NOTIFICATION LIMIT FOR L/CS INS "IMPOSSIBLE." IN ADDITION, TELEX COMMUNICATIONS WITH DAMASCUS, OWING TO THE CIVIL DISTURBANCES IN LEBANON, IS AT PRESENT SO SLOW AND UNCERTAIN AS TO MAKE SUCH A TIME LIMITATION IMPRACTICABLE.

4. EMBASSY WILL CONTINUE TO FOLLOW UP ON AMA RECOMMENDATIONS AND INFORM DEPARTMENT OF PROGRESS.
MURPHY

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 14 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976DAMASC04565
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760271-1030
From: DAMASCUS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760761/aaaacbbn.tel
Line Count: 92
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 STATE 131921
Review Action: RELEASED, APPROVED
Review Authority: schaeafj
Review Comment: n/a
Review Content Flags:
Review Date: 15 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 APR 2004 by ThomasVJ>; APPROVED <30 SEP 2004 by schaeafj>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: AMA RECOMMENDATIONS FOR IMPROVEMENT OF SARG TENDERING PROCEDURES
TAGS: BEXP, SY
To: COM
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006